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MEMORANDUM

TO: Shawn M. Garvin, Secretary

THRU: Susan E. Love, AICP, Climate & Sustainability Section Lead

FROM: Kevin F. Coyle, AICP CEP, Principal Planner *KFC*

RE: Recommended CZA Status Decision for Croda, Inc. 4 Autoclave

DATE: March 24, 2017

*RG4 3-24-17
FOR
SUSAN LOVE*

Introduction

Croda, Inc. submitted an application on February 9, 2017, seeking a Status Decision under the Delaware Coastal Zone Act ("CZA;" Chapter 70 of Title 7 of the Delaware Code) to determine if a Coastal Zone Act Permit is required to replace and upgrade equipment including an existing 4 autoclave unit, a deodorizer vessel that receives the reacted material from the autoclave to strip un-reacted materials, and associated process equipment such as pumps and heat exchangers.

Description of the Project

Croda is proposing to replace its existing 4 autoclave unit and the deodorizer vessel that receives the reacted material from the autoclave to strip un-reacted materials. Both units are more than 50 years old and are at the end of their service lives. The proposed replacement 4 autoclave vessel is

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inherently safer because it is designed to withstand a higher pressure rating and represents industry best practice design standards. New ancillary equipment including pumps, piping and heat exchangers will be installed to complete the modernization of the new autoclave. The updated units, while having higher capacity, will not increase emissions or overall environmental impact due to their design and operating methodology. The proposed project also includes a new electrical motor control center and automated process control system.

The replacement vessels will be installed in a new structure within the existing facility footprint. A new electrical motor control center will be housed in an existing spare room near the proposed site and will also house a new automated process control system. While the replacement vessels will allow for a higher output, there will be no environmental (e.g., air or water emissions) effects.

Project Analysis

There are three possible outcomes from an application for a CZA Status Decision: 1) the proposal is deemed a “heavy industry,” and the applicant is barred from undertaking that activity in the Coastal Zone; 2) the activity is allowable and requires a CZA permit; and 3) the activity is not regulated; therefore, no Coastal Zone permit is required.

Maintenance and repair of existing equipment and structures (Section 5.14) and replacement in-kind of existing equipment or installation of in-line spares for existing equipment (Section 5.15) are examples of uses that are not regulated by the Regulations Governing Delaware’s Coastal Zone.

Public Commentary

A legal notice announcing receipt of the Status Decision application was published in the News Journal and in the New Castle Weekly on February 22, 2017. No comments were received from the public.

Recommendation

The Coastal Zone Regulations specify that new activities that may result in a negative impact on the environment, economy, aesthetics, etc. require a permit (7 Del C. Admin Sec. 101-6.0). Conversely, activities that do not constitute initiation, expansion, or extension of heavy industry or manufacturing uses do not require a permit. Specifically, “replacement in-kind of existing equipment” does not require a permit. (7 Del C. Admin Sec. 101-5.15; In-kind is not specifically defined by the regulations.) Also, “installation ... of pollution control and safety equipment for nonconforming uses within their designated footprint” does not require a permit (7 Del C. Admin Sec. 101-5.16).

Based on the analysis of program staff and the Deputy Attorney General assigned to represent the Department with respect to matters arising under the Coastal Zone Act in an e-mail dated March 9, 2017

(see attached), a Coastal Zone Act permit is not required for this project because the proposed activities constitute "replacement in kind" and are therefore not regulated by the Coastal Zone Act.


Approved, Shawn M. Garvin, Secretary

3/27/17
Date